

Entering the European market for dresses and skirts

Some of the world's most interesting apparel markets are in Europe. However, setting up a business relationship with a European buyer can be challenging. This report informs you about requirements and opportunities in the European market and gives tips that can contribute to a successful entry of dresses and skirts on the European market.

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1. What requirements must dresses and skirts comply with to be allowed on the European market?

There are several requirements that you need to comply with when exporting dresses and skirts to Europe. Some are mandatory (both legal and non-legal). Others are voluntary. Meeting them can give you a competitive advantage. Some requirements only apply to certain niches in the dresses and skirts market.

What are mandatory requirements

The following requirements are mandatory. They include legal requirements concerning product safety, the use of chemicals (REACH), quality and labelling. Additionally, many buyers have created non-negotiable terms and conditions that all their suppliers need to respect.

Product safety

Any item on sale in the EU must comply with the EU's General Product Safety Directive ([GPSD: 2001/95/EC](#)). If your buyer has supplied the product design, it is his or her responsibility to make sure it is legally safe for consumers to use. The European Standard for the safety of children's clothing is [NEN EN 14682:2014](#), which includes dresses and skirts. Read the '[question and answer](#)'-document about this standard (TR 17376).

REACH

Any item of dresses and skirts exported to the EU must comply with [REACH](#) (Registration, Evaluation, Authorisation and Restriction of Chemicals). This regulation restricts the use of a large selection of chemicals in apparel (and specific materials used for trims). Restricted chemicals that are sometimes used in apparel include: certain Azo-dyes; flame retardants; waterproofing and stain-repelling chemicals and nickel (in metal trims and accessories). Check the [complete list of chemicals restricted by REACH](#) here.

Labelling your product

You must specify the material content of every dress and skirt that you export to the EU, in accordance with [EU Regulation 1007/2011](#). Check the [EU Trade Helpdesk](#) to find out which apparel items need to be labelled and how to do it. A fibre that accounts for up to 5% of the total weight of your product, or fibres that collectively account for up to 15% of the total weight, may be designated by the term 'other fibres', immediately preceded or followed by their total percentage by weight.

Intellectual Property Rights

If you are selling your own designs on the European market, you must make sure you are not violating any Intellectual Property (IP) rights. If your buyer provides the design, he or she will always be liable if the item is found to violate a property right. Complying with intellectual property rights also means you can't copy or share

designs (successful or unsuccessful) from one buyer with another (potential) buyer.

Non-legal mandatory requirements

Besides the legal requirements mentioned above, you may be confronted with non-negotiable terms and conditions that buyers have created for dealing with suppliers. Such requirements are non-legal, but still mandatory.

Sustainable production and social compliance

Regarding harmful substances and organic production, European buyers may request standards such as the Standard 100 by [OekoTex®](#), [EU Ecolabel](#), [BCI](#) (Better Cotton Initiative), [GOTS](#) (Global Organic Textile Standard) or [Bluesign®](#).

Regarding social compliance [BSCI](#) (Business Social Compliance Initiative) is the most popular (and often only) certification that European buyers will require. Other popular social standards are [WRAP](#), [SEDEX](#), [ETI](#), [SA8000](#), [ISO 26000](#), [FWF](#) and [Fair Trade](#).

Supply chain transparency is another increasingly popular topic in the European apparel industry. Both the German national fashion industry [sustainability agreement](#) and the similar Dutch [fashion industry agreement](#) call for members to disclose their factories, preferably all the way down to the raw material suppliers. Many companies have already published their suppliers in the [Open Apparel Registry](#). Fashion Revolution rates European brands in a [transparency index](#).

Tips:

Read how to comply with transparency requirements on the website of the [Clean Clothes Campaign](#) and [Human Rights Watch](#).

Provide buyers with as much information on your product as possible. The more information you can give about the origin of your materials, the better.

Other sustainability requirements may be:

- Use of organic cotton. This is cotton grown without the use of GMOs ('genetically modified organisms') and synthetic chemicals. Read more about organic cotton in the [CBI study on Sustainable cotton](#).
- Use of wool with a [Responsible Wool Standard](#) certificate or a confirmation of [non-mulesing](#).
- Use of fabrics blended with eco-friendly fibres, such as hemp; regenerated fibres such as Tencel®, Modal® and Refibra™ (by yarn manufacturer [Lenzing](#)); or other sustainable fibres such as [Recover](#), [REPREVE](#) or [Infinited Fiber](#) or even with innovative bio-based polymer fibres such as PLA, milk, seaweed and soy.
- Saving water during production by dyeing fabrics with new techniques (using CO2 instead of water) such as [Dyecoo](#).
- Fabrics dyed with only natural ingredients such as [Rubia](#), [Fibre Bio](#) or [Greendyes](#) or dyestuffs made from recycled materials such as [Recycrom](#).
- Use of fabrics made with recycled content. The most commonly used certifications for recycled content are the Recycled Claim Standard ([RCS](#)) and the Global Recycled Standard ([GRS](#)).

Packaging requirements

In most cases, your buyer will give you instructions on how to package the order in a manual. If you agree with your buyer that he or she will clear customs in the country of import (which is the norm in the apparel industry), it is his or her responsibility to make sure the instructions comply with EU import procedures. Your buyer will

also appreciate any efforts you make to reduce the environmental impact (and financial cost) of the use of packaging materials.

Payment terms

For a first-time order, European buyers may agree to a down payment when he or she places the order (e.g. 30%). They will pay the rest (70%) after the order is completed. The most requested payment method in the apparel industry is the L/C ([Letter of Credit](#)). An L/C obligates a buyer's bank to pay the supplier when the conditions that both parties have agreed upon are met. Many buyers however no longer favour L/C payments, as this will block their cash flow.

For follow-up orders however, most European buyers will ask for a TT (Telegraphic Transfer) after 30, 60, 90 or sometimes even 120 days. This means you as a manufacturer finish the production and hand over the shipment to the buyer, including the original documents, before payment is due. The payment will be made after the number of days that you have agreed on with the buyer. This is a risky payment agreement, because you take full financial risk.

The buyer manual

When you do business with a European buyer for the first time, they will typically give you a contract and/or a manual to sign. By signing the contract, you are confirming that you will comply with all the listed requirements. This means that you will be held accountable in case of a problem after the delivery of an order. Especially complying with REACH can be challenging. With small orders, most European buyers will not ask for expensive testing, but if illegal chemicals are discovered after delivery, you will bear all expenses involved.

Tips:

Read [the CBI study on Buyer requirements](#) for an extensive overview of the legal, non-mandatory and niche requirements you will face as an exporter of dresses and skirts to Europe.

Familiarise yourself with the [complete list of chemicals restricted by REACH](#). Make sure you only work with suppliers of fabrics and trims that are REACH compliant. Ask for proof that they are.

Read the CBI studies on [Sustainable Cotton](#) and [Recycled Fashion](#) for more information on sustainable dresses and skirts production.

Check the [EU's Trade Helpdesk](#) for an overview of all legal requirements set for your product. In the Helpdesk, you can identify your product code to get a list of applicable requirements.

Do not take financial risks with new buyers. Insure your orders via an insurance company or insist on L/C.

What additional requirements do buyers often have?

Besides legal and non-legal mandatory requirements, there are many services that buyers implicitly expect or at least highly appreciate if you want to do business with them. These requirements can differ from buyer to buyer.

Product design and development

European buyers are always looking for special designs, materials or production methods that will help them stand out in the market. Consider for instance:

- On-trend materials such as organza, taffeta, tulle, crochet, mesh, lace, feathers, leather and 'vegan' leather.
- Special finishes such as metallic and fluorescent (neon) coatings and prints, preferably using sustainable techniques.
- Stretch fabrics for extra comfort.
- Fabrics with soil-resistant, breathing, waterproof, anti-bacterial or UV-protective properties for athleisure and active wear.
- Quick drying, easy iron and crease-resistant fabrics.
- Stay dark fabrics (colour fastness).
- Garment dyeing during production to increase flexibility.

Silhouettes

There are many different types of skirts (from A-line to pleated to bubble) and dresses (from A-line to cocktail to prairie dress). Which types sell well depends largely on fashion trends, although there are classic styles, such as the 'LBD' ([little black dress](#)), slip dress, wrap dress and pencil skirt. Just as there are many lengths for skirts and dresses: from micro mini to maxi. The midi skirt remains a staple, but modest (longer lengths) skirts have become more popular in recent years. The same goes for airy, comfortable dresses with puffy sleeves.

Printing

Printed skirts and dresses are often included in European fashion collections. There are different printing techniques: lithography (using printing plates and rollers on fabric); digital printing (inkjet and laser, allows for small production runs) and screen printing (transferring images onto fabric or garments using a fine material or mesh/film. Printing can be outsourced, but having your own printing and embroidery machines increases your flexibility.

Visual 1. Skirts in printed fabrics feature in many fashion collections



Photo by [Photographe EVJF GREG](#) on [Unsplash](#)

To ensure quality (and in some cases also environmentally respectful production methods), buyers may require you to source your base materials at a preferred supplier or from a controlled source. For instance:

- [Lenzing](#) for Tencel®, Lenzing Viscose® or Lenzing Modal®
- [DuPont](#) for Lycra®
- [Pima cotton](#)
- [Woolmark](#) wool

Flexibility

Many factories focus only on getting ‘convenient’ orders: simple styles, large quantities and long delivery times. However, if you want to start a business relationship with a European buyer, be prepared to accept complicated orders first. Buyers will want to test your factory before they give you big, easy orders. Make sure at the start that a buyer will not continue to only place difficult orders with you and convenient orders elsewhere.

What are the requirements for niche markets?

Dresses and skirts have transformed from a typical spring/summer item into a basic for all seasons (made with heavier fabrics such as wool and cotton for winter styles). There are many interesting niches within this category. Niche brands usually offer smaller orders and require a relatively high service level. This means you need to adjust your manufacturing and sourcing setup if you want to be profitable.

Gala dresses (rental)

Gala dresses can be divided in different categories:

- Rental. These are often dresses made with easy care materials like polyester and designed to fit a wide range of women.
- Haute couture gala dresses. These are offered by the haute couture brands and often handmade with high-quality materials such as silk or wool.

Wedding dresses

Wedding dresses are sold in different price categories. The majority are sold via specialised retail stores in which every price category is represented. Material requirements vary from polyester to silk. The dresses are tailored to meet the fit of the consumer. More expensive wedding dresses are made-to-measure.

Due to the coronavirus crisis, and the postponement of big weddings, there is a new trend for minimal, easy-to-wear wedding dresses with retail price tags under €1,000.

Retro-styled dresses (1950s, 1960s, 1970s)

There is a growing niche market in Europe called the vintage or retro market. This market caters for consumers that want to style their look after the fashion trends of bygone eras such as the 1950s, 1960s and 1970s. The fit may differ from what you are used to producing, as certain fits are typical for different eras.

Corporate skirts and dresses

Matching dresses and skirts for corporate collections (used for instance by restaurant and hotel employees) are sold via specialised corporate wear vendors. These collections have very strict requirements regarding style, colour and care. Low MOQ and/or stock service are required. For more information check [the CBI study on Workwear](#).

Hospital dresses/uniforms

This type of workwear is focused on comfort and special properties such as anti-bacterial finishes. Hospital dresses must be easy to wear and easy care. Such collections are often sold by specialised workwear vendors nominated by the hospitals.

Special sizes

Following the 'body acceptance' trend, ever more European fashion brands have started to include silhouettes in their size range for specific body types, such as plus size, petit, tall and maternity fashion. If you are a manufacturer of tubular knits, you may be required to invest in bigger machinery to make large-sized styles. Check this article by fashion consultancy Edited about [the growing market for special sizes](#).

Adaptive wear

Adaptive apparel is a niche that caters to the individual requirements of consumer groups with very diverse needs, such as disabled people and the elderly. This target group is underserved but growing. Be aware that adaptive wear has very specific requirements regarding safety and functionality. Check the [CBI study on Adaptive apparel](#).

Modest wear

Many people with an Islamic background prefer 'modest' styles. This target group is underserved in Europe, but growing. Source for materials that obscure the female silhouette, so no fabrics that are too stretchy or thin. For specific requirements read the [CBI study on Islamic wear](#) or this [article by fashion consultancy Edited about the rise of modest fashion](#).

Activewear, outdoor dresses

Dresses and particularly skirts can also be found in activewear/outdoor collections. A popular style in this category is the ‘skort’: an anti-chafing combination between a short and a skirt. Outdoor styles are designed for comfort and functionality and often require breathing, anti-bacterial and quick-drying properties.

Tips:

If you decide to focus on a niche, investigate the specific requirements and make sure you can comply. Be aware that order quantities in niche markets are usually smaller than in mainstream markets. Try to become a specialist in the niche of your choosing.

Try to think ahead in your product development if you service niche markets. New innovations are introduced almost daily. Try to find workable innovations that will not only give you the tools to diversify but also to cut expenses.

Study the colours and trends in haute couture collections to use as inspiration for your collection development. Check out [Vogue.com](#), for instance. This fashion website lets you browse photo galleries of the latest fashion shows by a wide selection of haute couture designers.

Build a relationship with your customer design department to share information on new trends and developments.

Source new materials regularly and present the materials to your buyers before collection development.

2. Through what channels can you get dresses and skirts on the European market?

In addition to the obvious segmentation based on gender, age and product type, segments in the dresses and skirts market can best be distinguished by price/quality level and fashionability. The largest segments are the luxury market, the upper-middle and middle market and the budget segment. Within these segments, brands and retailers may offer the following sub-segments: basic, mainstream, fast fashion or high fashion (‘haute couture’).

Table 1: dresses and skirts market segmentation

Consumer type	Price level	Fashionability	Material use	Functionality
Luxury consumer (luxury market)	Very high	From basic to very high	High-quality, often EU-made/nominated, materials such as silk, mercerised cotton, regenerated fibres.	Low to medium functionality, often dry clean only

Fashion conscious consumer (upper middle market)	High	From basic to high	High-quality materials such as silk, combed cotton, branded viscose	Low to medium functionality, sometimes dry clean only
Practical consumer (middle market)	Medium	From basic to medium	Blends with a focus on mainstream qualities such as carded cotton, viscose, polyester	High functionality, machine wash only
Price conscious consumer (budget market)	Low	From basic to medium	Low-medium qualities such as polyester, carded cotton	High functionality, machine wash only

The luxury consumer

In the luxury market, European brands like [Versace](#), [Gucci](#) and [Dolce & Gabbana](#) sell extremely fashionable, luxurious dresses and skirts at a very high retail price. In this segment, creativity and uniqueness rule. The trends that are born here will be translated to the lower segments of the fashion industry to end up in the mainstream. Because buyers in this segment have extremely high standards regarding design, workmanship, material quality and brand image, production mostly takes place in Europe. Order quantities are low.

The fashion-conscious consumer

The upper-middle market caters to fashion-conscious consumers. It is home to A brands such as [Zadig and Voltaire](#), [Ted Baker](#) and [See by Chloe](#), selling creative designs, but in a less conspicuous way than in the luxury segment. Consumers appreciate brands for their brand image, original designs and high-quality materials. Smaller brands with a distinct sustainable profile such as [Armed Angels](#), [People Tree](#) and [KnowledgeCottonApparel](#) operate in this segment. Retail prices are high, order quantities are low to medium.

Practical consumers

Practical consumers shop in the middle market. Here you will find brands and retailers such as [Zara](#), [Promod](#) and [Benetton](#) selling both fashionable and more functional styles. Focus is on washability, fit and medium-quality materials. Buyers will sometimes require organic fabrics. Order quantities are high, retail prices low to medium.

Price-conscious consumers

Price-conscious consumers looking for both fashionable and more basic designs shop for dresses and skirts at large retail chains such as [H&M](#) (basic to fashionable), [Primark](#) (basic to fashionable), [New Yorker](#) (basic to fashionable), [Piazza Italia](#) (basic), [HEMA](#) (basic) and [Carrefour](#) (basic). Sustainable materials are in small demand, with notable exceptions such as [C&A](#) and [Zeeman](#) (organic cotton). Order quantities are high and retail prices are (very) low, so your margins are too.

Table 2: A selection of European dresses and skirts companies and their position in the market

Positioning of companies based on price/quality level, fashionability and order quantities:

Company name	price/quality level			Fashionability			order quantities		
	low	med	high	basic	med	high	low	med	high
Dior			x			x	x		
Zadig and Voltaire			x			x		x	
Diesel			x		x			x	
La Coste			x		x			x	
Pauw			x		x	x	x		
Zara		x			x	x			x
Primark	x			x	x				x
H&M	x			x	x				x
Top Vintage		x			x		x		
New Yorker	x			x	x				x
Marks & Spencer	x				x			x	
Promod		x			x			x	
Stradivarius		x			x				x
Next		x			x			x	
Marc O'Polo		x		x				x	
C&A	x			x					x

Tips:

Check online shopping platforms for dresses and skirts such as [Yoox](#) (luxury and upper-middle market segments) [Zalando](#) (all market segments) or [Asos](#) (middle and budget market) for inspiration on styles

and colours.

Find your inspiration in the luxury segment but never copy the styles.

Focus on finding sustainable fabrics that add value to your product and differentiate you from the existing styles offered in the market. Search the [Material District database](#) for hundreds of innovative and sustainable fibres and fabrics.

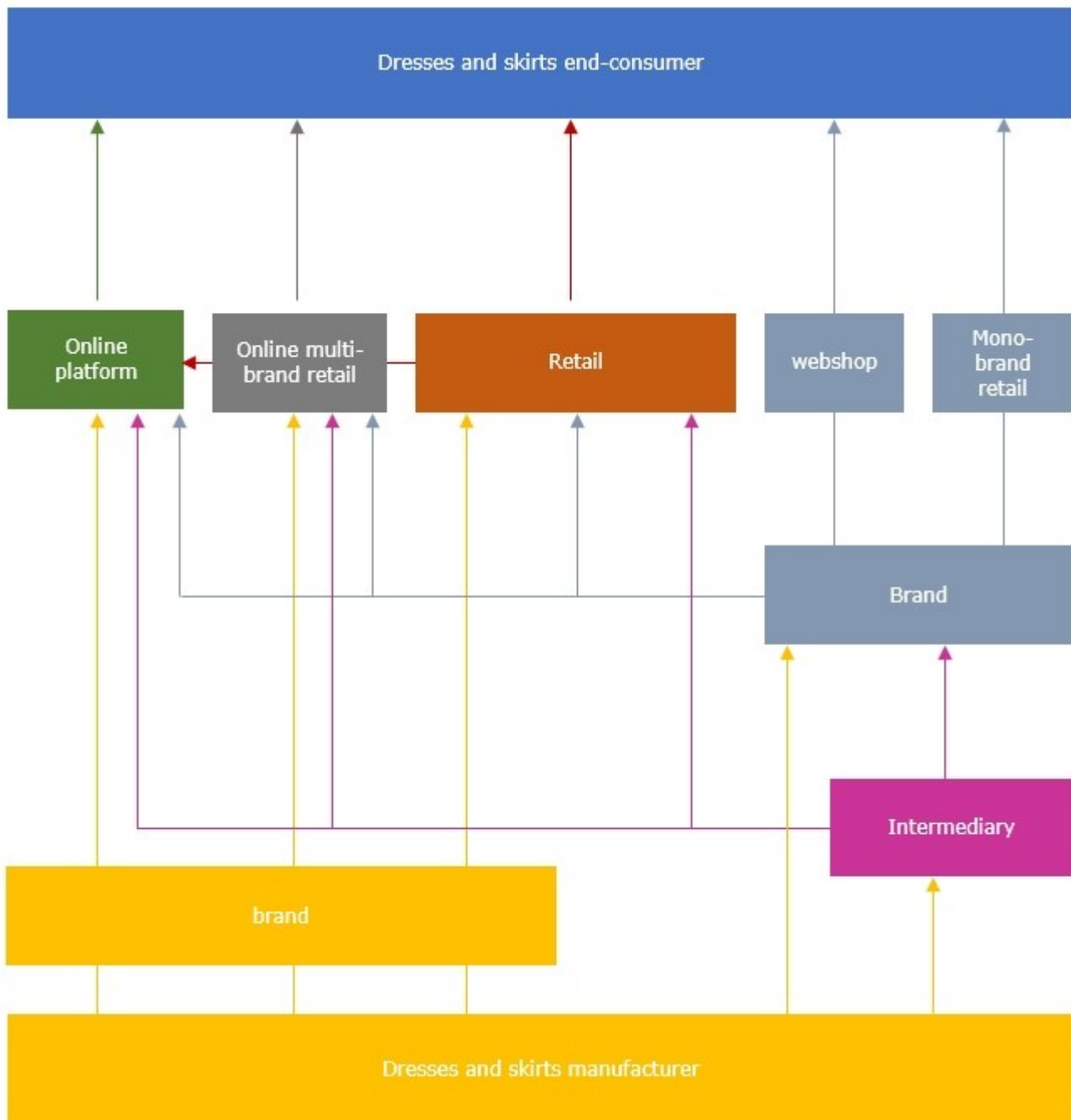
Through what channels does the product end up on the end-market?

The most important distinction you should make between potential buyers is their place on the value chain, because this will determine how they do business with you. Within each part of the value chain, you will find buyers of different market size, with different requirements regarding MOQ and price.

Each type of buyer needs a specific approach. Always try to find out in what part of the value chain your buyer is operating, what challenges he or she faces in the market and how you can contribute to his or her sales strategy.

- If you want to target European end-consumers, try selling via platforms such as [Alibaba](#), [Wish](#) and [Amazon](#). Most online consumers are in Northwestern Europe. You will need to invest in a webshop, stock, order management and customer service. Your biggest challenge will be return policies and a lack of brand awareness, making it difficult to find buyers outside the budget market.
- Online multi-brand retailers such as [Zalando](#), [Asos](#) and [Yoox](#) sell existing dresses and skirts brands and develop their own private collections, mostly value brands. They can detect market interest very fast and will immediately react to sales data. Usually, such companies will place a small test order first. If the item is selling well, they will place the actual production order. Fast delivery is a must.
- Europe is home to some big retail chains such as [H&M](#), [Zara](#), [C&A](#) and [Marks and Spencer](#), but also to many smaller chains and boutiques. Retailers can place an order relatively easily, as they only need one development sample for order confirmation. For the major retailers, order quantities are usually high, and so is price pressure.
- Brands typically develop a collection 12 months in advance. You will need a large sample room, as brands require salesman samples (SMS) of each collection style. Every sample needs to be 'actual': looking exactly like the product will in the shop, with branded hangtags and accessories. It may take many months before orders are placed.
- Intermediaries (agents or traders/importers/private label companies) sell your product on to buyers up the value chain. They are price focused and require flexibility in quantities and qualities. Some are located near or in the production countries and primarily do sourcing and logistics, such as [Li & Fung](#). Others such as [Brand District](#) or [Worldtex](#) work from Europe and also do market research, design and stock keeping. Their service level determines the commission rate that intermediaries charge.

Figure 1: Dresses and skirts market value chain



What is the most interesting channel for you?

If you are a small to medium-sized manufacturer in a developing country, intermediaries are likely the most interesting type of buyer for you, followed by smaller (niche) brands and retailers. The bigger brands and retailers are only potential buyers if you have the right certifications and can handle large volume orders. End-consumers are a difficult target group, because of complicated customer service demands.

Intermediaries

Agents or traders/importers/private label companies are usually the first to explore new sourcing destinations (from their perspective). Be aware that they are very price focused. Intermediaries act as a 'middleman' between you and companies further up the value chain, which means they need to keep their prices close to your factory price. This leaves less negotiation room for you as a manufacturer. Furthermore, traders require flexibility from manufacturers regarding quantities and qualities.

Small (niche) brands and retailers

Many European fashion brands and retailers are trying to cut out intermediaries and source directly from manufacturers. Hence, these companies can be an interesting category of buyers, but beware: size matters. Supplying major European brands and retailers as an SME may not be realistic due to the high requirements and high volumes. Unless you have the right certification and can produce volume orders, small (niche) brands and retailers are more likely business partners.

Europe also has many start-up brands and retailers (especially online) that search for small factories to support them with business development. The main risk with smaller companies and/or start-ups is that their business is risky and can be terminated in case of a bad season or performance. It is therefore important that you always study the risk vs. the benefit of doing business with small start-up buyers.

Online multi-brand retailers

Also promising are multi-brand online stores that produce private collections, because this market is growing. This is a budget market with low profit margins, but potentially big volumes, mostly spread over many small orders. Check out, for instance, '8' by Yoox, Zalando's private label brand 'YOURTURN', or 'ASOS DESIGN' by Asos.

Tips:

You can find intermediaries specialised in ladies' fashion using an online search engine. Use keywords such as 'full service', 'garment' 'agents' or 'dresses and skirts' plus 'solution'. Trader's websites usually show the brands they are working with.

Investigate every new (potential) buyer and check carefully if you comply with their requirements. Don't make promises you cannot keep. Read the CBI study [10 Tips for doing business with European apparel buyers](#).

Check the online [Retail-Index](#), which contains profiles of apparel retailers in Europe.

Focus on participating in niche trade fairs and target smaller companies with growth potential.

3. What competition do you face on the European dresses and skirts market?

Dresses and skirts are manufactured worldwide, so you will likely face stiff competition in this market. The most important ways to create a competitive advantage over other countries and manufacturers are technical knowledge, service level, flexibility (the willingness to accept lower MOQ's), efficiency and beneficial trade agreements.

Which countries are you competing with?

China, Turkey and Italy used to provide the bulk of dresses and skirts production for the European market. China and Turkey are still popular sourcing locations for European buyers, but due to price pressure many other countries have started manufacturing dresses and skirts as well.

China

China offers high quality, technical innovation, high efficiency, excellent customer service and the local availability of fabrics and trims. Downsides: high MOQ's (although Chinese manufacturers are increasingly becoming more flexible), rising labour and production costs and no General Scheme of Preferences ([GSP](#)) that

removes import duties to the EU. The country has lately also struggled with the insecurity resulting from the US-China trade war.

Turkey

Turkey produces high-quality apparel in small quantities. The country can deliver quickly thanks to its proximity to Europe (lead times of 8-10 weeks from fabric to delivery in house or shorter). This gives Turkey a big advantage over Asian manufacturers, as the European market is discovering the importance of responding quickly to sales results and market trends. Downside: price levels are relatively high.

India

India is a low-cost producer of good-quality apparel with very high flexibility in MOQ's. India's apparel production is generally divided into hubs based on product type, with the one around Delhi focused on women's wear and children's wear. The country is the world's largest producer of (organic) cotton and benefits from the GSP. Downsides: many factories in India lack the service level that their competitors in China offer and they are struggling to meet increasing requirements regarding sustainable production.

Bangladesh

Bangladesh dominates the fashion industry with high volume, low price manufacturing. The country benefits from low production and labour costs and the GSP. The biggest challenge for Bangladesh will be to increase technical expertise, the ability to facilitate smaller orders and to get more factories to comply with international safety and sustainability standards.

Morocco

Near-shore sources such as Morocco offer low MOQ's and high flexibility, which is particularly relevant for some of the smaller European apparel brands and retailers. The country is particularly popular with Spanish and French buyers. Its location close to Europe makes it easier for Moroccan factories to work closely with the buyer on product development. Downside: price levels are relatively high.

Cambodia

Cambodia is another upcoming production country for apparel. Many factories are set up by foreign investors (notably the Chinese), who also supply fabrics, trims and expertise. The country benefits from the GSP. Downsides: high MOQ's make it difficult for smaller European buyers to source here. Production quality is sub-optimal, due to an inexperienced and relatively small workforce.

Tips:

Study the countries you are competing with, compare their strengths and weaknesses to yours and advertise the competitive advantages of doing business with you. Besides GSP, consider factors such as distance to Europe, [ease of doing business](#) and [transparency](#).

Check the freely accessible [CSR Risk Check database](#) to discover the social and environmental risks associated with apparel production in different countries, including your own. Use this information to mitigate risks and to advertise the advantages of sourcing in your country.

Check if and how other countries benefit from the Generalised Scheme of Preferences on [the EU's website on international trade](#).

Most online search engines will let you create a 'news alert' on a topic. This way, you can automatically follow the latest developments in the apparel industry in a specific country.

Which companies are you competing with?

[Neo Concept](#) is a design-driven company based in Hong Kong, which manufactures for brands and retailers in Europe and the US. It originally started with privately owned factories in China, but expanded towards Cambodia and Vietnam. Neo Concept manufactures dresses and skirts for European brands such as Cos, Tommy Hilfiger, Marc Cain and Zadig and Voltaire. This company is not the cheapest in the market, but well appreciated for its design, innovation and product quality.

[Jiangsu Guotai](#) is a China-based manufacturing organisation with a network of factories in countries including China, Myanmar and Cambodia. This spread allows the company to compete with almost all manufacturers worldwide. One of Guotai's biggest strengths is the fact that they also manufacture fabrics, which increases their flexibility and improves their competitiveness.

[Med Sourcing Morocco](#) has a large network of factories in Morocco. The company offers an in-house design service and sample making, which supports their network on sample development and costing. Med Sourcing Morocco is known for their reliability, design input and service level.

Tips:

If you want to compete with the market leaders in dresses and skirts production, be flexible in your minimum order quantity even if the product has a high quality and finishing standard; innovate in product development and design and offer excellent customer service.

Check the free online database [Open Apparel Registry](#). This website lets you look up the suppliers of hundreds of European fashion brands, including buyers of dresses and skirts.

Read the [CBI study 10 Tips for Doing Business with European Buyers](#) to learn how to approach and engage with buyers. This report also describes how you can get practical help with understanding European business culture, analysing your USPs and doing business with European buyers.

Which products are you competing with?

Dresses and skirts are a staple of every woman's wardrobe and have shown a strong growth performance in the last five years on the European market. This product category represents fashionable, comfortable and formal/business styles. Looking at current trends in comfort and healthy lifestyles, the following product groups are competing with dresses and skirts.

Athleisure

Like many other apparel items, the rise of athleisure (including yoga wear and other sporty styles) is influencing the market for dresses and skirts, especially the formal designs. Comfortable features like stretch do relatively well in dresses and skirts.

Loungewear

An even more informal offshoot of the Athleisure trend is loungewear: extremely comfortable styles designed for wear in and around the house. This trend is helped by ever more people in Europe preferring to stay at home, both for work and recreation ([the 'Netflix generation'](#)).

Pants

Pants are an alternative for European women looking for more comfortable and informal apparel items, especially wider, airy styles made with lightweight and stretchy fabrics.

Tips:

Stay informed about the trends in the European denim market and try to adapt your product portfolio to new developments, even if it means also using non-denim materials.

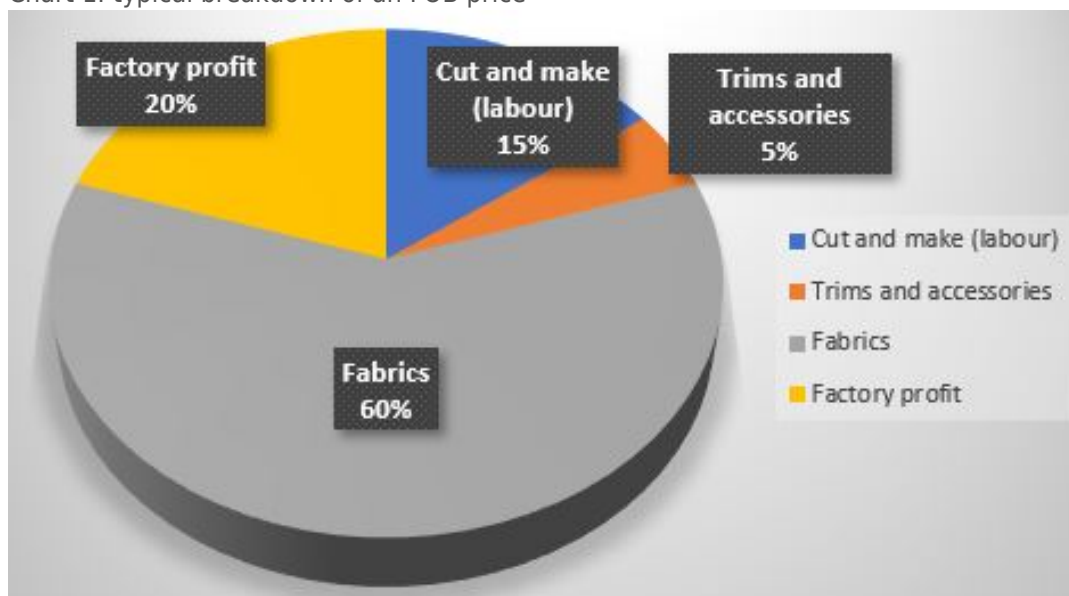
Develop a close cooperation with your fabric supplier. By combining your expertise on product development, you will increase your competitiveness.

4. What are the prices for dresses and skirts on the European market?

The factory price of your product (in fashion industry jargon, your 'FOB price': [Free On Board](#)) is influenced by many factors, such as the cost of materials, the efficiency of your employees and your overhead and profit margin.

The average cost breakdown of your FOB price should look like this:

Chart 1: typical breakdown of an FOB price



Note that these percentages may differ per factory and per order. Some factories accept lower profit margins during offseason periods, or when order volumes are high. In addition, the percentages for labour versus fabrics may differ, depending on the efficiency and wage level of the workforce and the price of the materials. Efficiency goes up and material prices go down when producing large volume orders.

Retail pricing

The retail price of a dresses and skirts item is on average 4-8 times the FOB-price (this is called the 'retail markup'). It follows that the FOB-price is on average 12,5-25% of the retail price of the product. Exceptions do occur. In the budget market, some large European retail chains may only double FOB price mark up. Retailers mark up the FOB price by 4-8 times because they need to account for (among other things) import duties,

transport, rent, marketing, overhead, stock keeping, markdowns, VAT (15-27% in EU-countries).


According to [Eurostat's 2018 comparison of retail prices for apparel](#), of the top six importers of apparel and footwear, France has the highest price level at 109.9 points compared to the European average of 100, followed by the Netherlands (106.3), Italy (101.1), Germany (99.1), the UK (92.7) and Spain (92). Note that brands and retailers that sell in multiple European countries usually keep prices equal or deviate only slightly from the standard retail price.

Because of online commerce, a strong budget segment and intense competition, consumers in Europe have become accustomed to low prices. At the same time, the focus on sustainability and higher production costs have put manufacturers, suppliers and buyers under enormous price pressure. However, prices will likely remain stable in the next three years thanks to increased efficiency/automation and the production shift to low-wage countries.


This study has been carried out on behalf of CBI by [FT Journalistiek](#).

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